

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of:)	
)	
Reporting Requirements for U.S. Providers of)	IB Docket No. 04-112
International Telecommunications Services)	
)	
Amendment of Parts 43 of the)	
Commission's Rules)	
To: The Commission		

REPLY COMMENTS OF VERIZON WIRELESS

Verizon Wireless hereby submits its reply comments in response to the Notice of Proposed Rule Making (“*NPRM*”) released by the Federal Communications Commission (“FCC” or “Commission”) on April 12, 2004, in the above-captioned proceeding.¹ Verizon Wireless supports the complete elimination of Section 43.61 as it applies to Commercial Mobile Radio Service (“CMRS”) providers offering international service via resale. The record supplies no basis for retaining the rule for this purpose. If, however, Section 43.61 is maintained, in the alternative, Verizon Wireless supports adoption of a much higher reporting threshold to reduce the regulatory burden placed on CMRS providers. In no event should the FCC adopt new data fields, as they would be impractical and extremely burdensome on CMRS providers.

¹ *Reporting Requirements for U.S. Providers of International Telecommunications Services, Amendment of Part 43 of the Commission's Rules*, IB Docket No. 04-112, Notice of Proposed Rulemaking, FCC 04-70 (rel. April 12, 2004) (“*NPRM*”), 69 Fed. Reg. 29676 (May 25, 2004).

I. DISCUSSION

A. The Commission should eliminate the Section 43.61 reporting requirement.

Verizon Wireless hereby urges the Commission to eliminate the Section 43.61 reporting requirement placed on CMRS providers engaged in the resale of international services. The rule is an anachronism that has no valid regulatory purpose today, particularly given the miniscule amount of revenue generated by CMRS providers engaged in resale of international services and the ever-increasing amount of competition.

There is no rational basis for retaining the Section 43.61 requirements on CMRS providers offering international services via resale. The FCC determined in its *ISP Reform Order* that the U.S.-international market has undergone changes in recent years resulting in increased competition and reduced prices for U.S. customers.² Verizon Wireless's resale offering of international service to its customers is ancillary to its offering of domestic mobile services – its primary business. As Cingular notes, CMRS carriers hold only a paltry share of the ever-increasing competitive marketplace for the provision of international services.³ In fact, the FCC has already concluded that CMRS carriers are unlikely to be able to distort traffic, particularly when unaffiliated with the underlying facilities-based carrier.⁴ No party endorsed keeping Section 43.61 in place for reporting resale revenues.

Further, Verizon Wireless and other CMRS providers already report international revenues in the Telecommunications Reporting Worksheet, FCC Form 499A. Thus, to some

² *International Settlements Policy Reform/International Settlements Rates*, IB Docket Nos. 02-2334 and 96-261, First Report and Order, FCC 04-53 (rel. Mar. 30, 2004) (“*ISP Reform Order*”).

³ See *Cingular Wireless LLC* (“Cingular”) comments at 2 (filed July 26, 2004).

⁴ See *2000 Biennial Regulatory Review Amendment of Parts 43 and 63 of the Commission's Rules*, Report and

extent, the information contained in the Section 43.61 report is duplicative. In any event, the *NPRM* does not articulate any viable purpose for the rule in so far as it applies to CMRS resale.

Finally, the data submitted by facilities based providers of international services provides the FCC with sufficient information from which it can monitor the international telecommunications market, again obviating any need for a separate revenue report pursuant to Section 43.61.

Therefore, the Commission should eliminate the burdensome and unnecessary requirement imposed by Section 43.61 on CMRS providers engaged in resale of international services.

B. Proposed Threshold Should Be Increased.

In the *NPRM* the Commission proposes “a \$5 million revenue threshold to determine which carriers must file.”⁵ Verizon Wireless agrees with Cingular that the proper course of action is to repeal the rule for CMRS resale altogether, but that if the rule is retained, this threshold is unnecessarily low and will not provide relief for many carriers.⁶ There is no relationship between the proposed number and the total pure resale revenues or the FCC’s ability to monitor anticompetitive conduct. As Cingular notes, a more appropriate threshold would be 10 percent of the most recently released data for IMTS pure resale revenues - \$400 million.⁷ A carrier with a 10 percent share of the total IMTS resale revenues would be well below the level

Order, 17 FCC Rcd. 11416, 11429 (2002) (“*Biennial Review Order*”).

⁵ *NPRM* at ¶ 35.

⁶ Cingular at 7.

necessary to engage in conduct that might have competitive concerns, but this threshold would still allow the FCC to monitor market developments.

C. The FCC Should Not Adopt New Data Fields

In the *NPRM* the Commission proposes that carriers submit information broken down “between small residential and business users,” speculating that carriers “should be able to derive much of the information from customer billings.”⁸ Verizon Wireless agrees with Cingular that this proposal would impose new burdens on the CMRS industry.

Verizon Wireless currently does not maintain billing information that would allow it to easily prepare such a filing, the utility of which is questionable at best. Accordingly, Verizon Wireless opposes this proposal. In other contexts the FCC has acknowledged that CRMS providers do not maintain separate data for “residential” and “business” users as do landline carriers, and thus has not required CMRS providers to track such categories. Imposing a “residential versus business user” distinction for Section 43.61 reporting would be inconsistent with prior Commission actions.

The *NPRM* also suggests that carriers breakdown data between end-user and carrier-to-carrier traffic. This proposal would also be impractical and burdensome on CMRS providers that offer their domestic and international services (obtained through resale) for resale. Verizon Wireless currently does not maintain this information and adoption of the rule would require updates to its billing systems that would be burdensome. In any event, however, this change to the rule must not be adopted because the *NPRM* failed to provide an explanation of how the data

⁷ *Id.* at 7, citing 2002 *International Telecommunications Data*, International Analysis & Technology Div., Wireline Competition Bur., at Table D (March 2004).

will serve any specific policy objectives.

II. CONCLUSION

For the reasons stated above, Verizon Wireless supports elimination of the annual Section 43.61 reporting requirements for CMRS providers or, in the alternative, adopting a threshold as discussed above. Finally, the Commission's proposal to increase the number of data fields should not be adopted as Verizon Wireless currently does not track the information necessary to satisfy the proposal and any changes to its billing systems would be burdensome.

Respectfully submitted,

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⁸ *Id.* at App. C ¶ 30.

Certificate of Service

I hereby certify that on this 23rd day of August, copies of the foregoing “Reply Comments of Verizon Wireless” in IB Docket 04-112 were sent by electronic mail to the following parties:

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A handwritten signature in black ink, reading "Sarah E. Weisman". The signature is fluid and cursive, with the first name "Sarah" being larger and more prominent than the last name "Weisman".

Sarah E. Weisman